


COMPARISON OF SALARY RATES AND LIVING COSTS

Family of Two - 1 Wage Earner

<u>SALARY</u>			<u>EXPENSES</u>				Remainder of Monthly Salary Available for Transportation, Clothing and Other - No Child Care	Monthly Child Care ⁵ Potential DES Subsidy		Monthly Salary Remaining After Child Care Expenses ⁶
Hourly	Monthly	Annual	Monthly Taxes and Withholding ¹	Monthly* Housing and Utilities (30%) ²	Monthly* Food ³	Monthly* Health Care ⁴				
\$ 5.15	\$ 892.67	\$10,712	\$89.77	\$267.80	\$269.70	\$412.00	-\$146.60	\$462.00	\$396.00	-\$212.60
\$ 6.00	\$1,040.00	\$12,480	\$ 125.35	\$312.00	\$269.70	\$412.00	- 79.05	\$462.00	\$374.00	-\$167.05
\$ 7.00	\$1,213.33	\$14,560	\$167.20	\$364.00	\$269.70	\$412.00	\$0.43	\$462.00	\$374.00	-\$87.57
\$ 8.00	\$1,386.67	\$16,640	\$215.63	\$416.00	\$269.70	\$412.00	\$73.34	\$462.00	\$330.00	-\$58.66
\$ 9.00	\$1,560.00	\$18,720	\$259.31	\$468.00	\$269.70	\$412.00	\$150.99	\$462.00	\$220.00	-\$91.01
\$10.00	\$1,733.33	\$20,800	\$302.98	\$520.00	\$269.70	\$412.00	\$228.65	\$462.00	\$0.00 Not Eligible	-\$233.35

*Assumption: Major assumptions have been made in the percentage of income assigned to housing, utilities, food and health care. In reality, families often spend far more per category than the estimate. This is especially true in housing. Child care data are based on center-based costs using DES subsidies; these subsidies may not be available to all families. The assumption is also made that the family has no other government assistance beside child care subsidy. Some families may be eligible for food stamps and the Earned Income Credit.

Family of 2; 1 full-time wage earner; 1 pre-school child in full day, center-based child care.

 = 2001 poverty level for a family of two was \$11,610.

Sources: ¹ FICA and taxes - 2001 rates.

² U.S. Department of Housing and Urban Development definition of affordable housing, including utilities. Actual Fair Market Rental rates for the Phoenix Metropolitan area are: Efficiency - \$431, 1 bedroom - \$523; 2 bedroom - \$656; 3 bedroom - \$913. www.huduser.org/datasets/il/fmr01/index.html.

³ The estimated monthly cost of food for a family of one parent/one 3-5 year old child is \$269.70 on the Moderate Food Plan of the U. S. Department of Agriculture, January 1998, [//www.usda.gov/fes/cnpp.htm](http://www.usda.gov/fes/cnpp.htm)

⁴ Health Insurance costs based on average HMO family coverage and prior to implementation of KidsCare in November 1998. Eligibility for KidsCare is for families whose income is below 200% of the federal poverty level, or \$23,220 for a family of two with one wage-earner. Because of the high cost of health insurance and dependent coverage, many families are unable to afford health insurance coverage - making KidsCare outreach and enrollment essential for working, low income families.

⁵ Median rate for center-based child care for children ages 3-5 in Maricopa County is \$21 per day per 2000 DES Local Market Rate Survey. There are other child care options, such as regulated group homes and regulated and unregulated small family child care homes. Monthly child care assumes 22 days per month. New subsidies will be implemented in January 2002.

⁶ Eligibility for DES subsidy assumes no income other than hourly salary.

Prepared by: Maricopa Association of Governments, July 2001.




COMPARISON OF SALARY RATES AND LIVING COSTS

Family of Three - 1 Wage Earner

<u>SALARY</u>			<u>EXPENSES</u>				Remainder of Monthly Salary Available for Transportation, Clothing and Other - No Child Care						
Hourly	Monthly	Annual	Monthly Taxes and Withholding ¹	Monthly* Housing and Utilities (30%) ²	Monthly* Food ³	Monthly* Health Care ⁴		Monthly Child Care Expenses ⁵	Potential DES Subsidy		Monthly Salary Remaining After Child Care Expenses ⁶		
									Children (1)	Children (2)	Children (1)	Children (2)	
\$5.15	\$892.67	\$10,712	\$68.29	\$267.80	\$413.50	\$412.00	-\$268.92	\$462	\$924	\$418	\$847	-\$312.92	-\$345.92
\$6.00	\$1,040.00	\$12,480	\$88.23	\$312.00	\$413.50	\$412.00	-\$185.73	\$462	\$924	\$418	\$847	-\$229.73	-\$262.73
\$7.00	\$1,213.00	\$14,560	\$130.01	\$364.00	\$413.50	\$412.00	-\$106.51	\$462	\$924	\$396	\$814	-\$172.51	-\$216.51
\$8.00	\$1,386.67	\$16,640	\$176.14	\$416.00	\$413.50	\$412.00	-\$30.97	\$462	\$924	\$374	\$781	-\$118.97	-\$173.97
\$9.00	\$1,560.00	\$18,720	\$219.82	\$468.00	\$413.50	\$412.00	\$46.68	\$462	\$924	\$374	\$781	-\$41.32	-\$96.32
\$10.00	\$1,733.33	\$20,800	\$263.49	\$520.00	\$413.50	\$412.00	\$124.34	\$462	\$924	\$330	\$715	-\$7.66	-\$84.66

*Assumption: Major assumptions have been made in the percentage of income assigned to housing, utilities, food and health care. In reality, families often spend more per category than the estimate. This is especially true in housing. Child care data are based on center-based costs using DES subsidies, these levels of subsidies may not be available to all families. It also assumes that the family receives no other governmental assistance. Some families may be eligible for food stamps and the Earned Income Credit.
Family of 3; 1 full-time wage earner; 1-2 pre-school children in full day, center-based child care.

 = 2001 poverty level for a family of three was \$14,630.

Sources: ¹ FICA and taxes - 2001 rates.

² U.S. Department of Housing and Urban Development definition of affordable housing, including utilities. Actual Fair Market Rental rates for the Phoenix Metropolitan area are: Efficiency - \$431, 1 bedroom - \$523; 2 bedroom - \$656; 3 bedroom - \$913. www.huduser.org/datasets/il/fmr01/index.html.

3 The estimated monthly cost of food for a family of one female parent, one 3-5 year old child and one child 6-8 is \$413.50 on the Moderate Food Plan of the U. S. Department of Agriculture, January 1998, <http://www.usda.gov/fes/cnpp.htm>.

4 Health Insurance costs based on average HMO family coverage and prior to implementation of KidsCare in November 1998. Eligibility for KidsCare is for families whose income is below 200% of the federal poverty level, which is \$29,260 for a family of three with one wage earner. Because of the high cost of health insurance and dependent coverage, many families are unable to afford health insurance coverage - making KidsCare outreach and enrollment essential for working, low income families.

5 Median rate for center-based child care for children ages 3-5 in Maricopa County is \$21 per day per 2000 DES Local Market Rate Survey. There are other child care options, such as regulated group homes and regulated and unregulated small family child care homes. Monthly child care assumes 22 days per month. New subsidies will begin in January 2002..

⁶ Eligibility for DES subsidy assumes no income other than hourly salary.

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COMPARISON OF SALARY RATES AND LIVING COSTS

Family of Four - 1 Wage Earner

	SALARY			EXPENSES									
Hourly	Monthly	Annual	Monthly Taxes and Withholding ¹	Monthly* Housing and Utilities (30%) ²	Monthly* Food ³	Monthly* Health Care ⁴	Remainder of Monthly Salary Available for Transportation, Clothing and Other - No Child Care	Monthly Child Care Expenses ⁵	Potential DES Subsidy		Monthly Salary Remaining After Child Care Expenses ⁶		
								Children	Children	Children			
								(1)	(2)	(1)	(2)	(1)	(2)
\$ 5.15	\$ 892.67	\$ 10,712.00	\$ 68.29	\$ 267.80	\$ 638.40	\$ 412.00	\$ (493.82)	\$462	\$924	\$418	\$847	-\$537.82	-\$570.82
\$ 6.00	\$ 1,040.00	\$ 12,480.00	\$ 79.56	\$ 312.00	\$ 638.40	\$ 412.00	\$ (401.96)	\$462	\$924	\$418	\$847	-\$445.96	-\$478.96
\$ 7.00	\$ 1,213.33	\$ 14,560.00	\$ 92.95	\$ 364.00	\$ 638.40	\$ 412.00	\$ (294.02)	\$462	\$924	\$418	\$847	-\$338.02	-\$371.02
\$ 8.00	\$ 1,386.67	\$ 16,640.00	\$ 136.65	\$ 416.00	\$ 638.40	\$ 412.00	\$ (216.38)	\$462	\$924	\$396	\$814	-\$282.38	-\$326.38
\$ 9.00	\$ 1,560.00	\$ 18,720.00	\$ 180.33	\$ 468.00	\$ 638.40	\$ 412.00	\$ (138.73)	\$462	\$924	\$374	\$781	-\$226.73	-\$281.73
\$ 10.00	\$ 1,733.33	\$ 20,800.00	\$ 224.00	\$ 520.00	\$ 638.40	\$ 412.00	\$ (61.07)	\$462	\$924	\$374	\$781	-149.07	-\$204.07

*Assumption: Major assumptions have been made in the percentage of income assigned to housing, utilities, food and health care. In reality, families often spend more per category than the estimate. This is especially true in housing. Child care subsidies are based on center-based costs using DES subsidies, these levels of subsidies may not be available to all families. Some families may be eligible for food stamps and the Earned Income Credit.

Family of 4; 1 full-time wage earner and 1 parent involved in education or training and requiring full day child care; 2 adults; 1-2 pre-school children in full day, center-based child care. In reality, in most two parent families, both parents are in the work force. Also assumes that the family receives no other government subsidy.



2001 poverty level for a family of four was \$17,650.

Sources: ¹ FICA and taxes - 2001 rates.

² U.S. Department of Housing and Urban Development definition of affordable housing, utilities. Actual Fair Market Rental rates for the Phoenix Metropolitan area are: Efficiency - \$431, 1 bedroom - \$523; 2 bedroom - \$656; 3 bedroom - \$913. www.huduser.org/datasets/il/fmr01/index.html.

³ The estimated monthly cost of food for a family of two parents, one 3-5 year old child and one child 6-8 is \$638.40 on the Moderate Food Plan of the U. S. Department of Agriculture, January 1998, <http://www.usda.gov/fes/cnpp.htm>.

⁴ Health Insurance costs based on average HMO family coverage and prior to implementation of KidsCare in November 1998. Eligibility for KidsCare is for families whose income is below 200% of the federal poverty level, or \$35,300 for a family of four with one wage earner. Because of the high cost of health insurance and dependent coverage, many families are unable to afford health insurance coverage - making KidsCare outreach and enrollment essential for working, low income families.

⁵ Median rate for center-based child care for children ages 3-5 in Maricopa County is \$21 per day per 2000 DES Local Market Rate Survey. There are other child care options, such as regulated group homes and regulated and unregulated small family child care homes. Monthly child care assumes 22 days per month. New DES subsidies will be implemented in January 2002.

⁶ Eligibility for DES subsidy assumes no income other than hourly salary.

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